



House of Representatives

General Assembly

File No. 542

January Session, 2001

Substitute House Bill No. 6850

House of Representatives, May 1, 2001

The Committee on Judiciary reported through REP. LAWLOR of the 99th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE POWER OF A MUNICIPALITY TO APPOINT A RECEIVER OF RENTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 47a-56a of the general statutes is repealed and the
2 following is substituted in lieu thereof:

3 Whenever any order issued under the provisions of section 47a-53,
4 or section 47a-55, or under the provisions of any municipal charter or
5 special act or ordinance relating to the abatement of nuisances in
6 tenement houses is not complied with, or not so far complied with as
7 the appropriate authority finds reasonable, within the time allowed, or
8 whenever a landlord has not substantially complied with the
9 provisions of section 47a-7, the authority appointed under the
10 provisions of section 47a-56, [shall] may apply to the superior court for
11 the judicial district where the property is situated for an order
12 requiring the owner and any mortgagees or lienors of record to show
13 cause why a receiver of rents, issues and profits should not be

14 appointed and why said receiver should not remove or remedy such
15 condition and obtain a lien in favor of the municipality, having priority
16 with respect to all existing mortgages or liens, to secure payment of the
17 costs incurred by the receiver in removing or remedying such
18 condition. Such application shall contain (1) proof by affidavit that an
19 order of the proper authority has been issued and served on the
20 owner, mortgagees and lienors; (2) a statement that a nuisance exists
21 because a landlord has been in substantial noncompliance with the
22 provisions of section 47a-7 or a nuisance exists that constitutes a fire
23 hazard or a serious threat to life, health or safety and that such
24 nuisance continued to exist in such property after the time fixed for the
25 removal thereof in such order, and such statement shall contain a
26 description of the property and the conditions constituting such
27 nuisance; (3) a brief description of the nature of the work required to
28 remove or remedy the condition and an estimate as to the cost thereof.

29 Sec. 2. Section 47a-56d of the general statutes is repealed and the
30 following is substituted in lieu thereof:

31 (a) The receiver's appointment shall not be effective until [he] the
32 receiver furnishes a bond, with sufficient surety, in an amount to be
33 determined by the court, and until [he] the receiver provides evidence
34 [that he has obtained] of liability insurance coverage in an amount to
35 be set by the court, but at least in an amount, for a single injury, equal
36 to one hundred per cent of the appraised value of the property,
37 disregarding encumbrances.

38 (b) The receiver shall with all reasonable speed remove the
39 delinquent matters and deficiencies in the property constituting a
40 serious fire hazard or a serious threat to life, health or safety. During
41 the term of the receivership the receiver shall repair and maintain the
42 property in a safe and healthful condition. The receiver shall have the
43 power to let contracts [therefor] in accordance with the provisions of
44 local laws, ordinances, rules and regulations applicable to contracts for

45 public works. Notwithstanding any such laws, ordinances, rules or
46 regulations, the receiver may let contracts or incur expenses for
47 individual items of repairs, improvements or supplies without
48 advertisement or the procurement of competitive bids where the total
49 amount of any such individual item does not exceed five hundred
50 dollars or where there exists a condition which constitutes an
51 imminent and substantial danger to life, health or safety, but in such
52 event the receiver shall endeavor to obtain contracts on the most
53 advantageous terms.

54 (c) The receiver shall collect the accrued and accruing rents, issues
55 and profits of the property and apply the same to the cost of removing
56 or remedying such nuisance, to the payment of expenses reasonably
57 necessary to the proper operation and management of the property,
58 including insurance and the fees of the managing agent, if any, and to
59 unpaid taxes, assessments, water rents and sewer rents and penalties
60 and interest thereon.

61 (d) If the income of the property is insufficient to cover the cost of
62 remedying or removing such nuisance, the municipality [shall] may
63 advance to the receiver any sums required to cover such cost and
64 thereupon shall have a lien against the property having the priority
65 provided in section 47a-56a.

66 (e) Any excess of income of the property in the hands of the receiver
67 shall be applied to the necessary expenses in regard to such property
68 of [his office as receiver] the receiver's office and then to sums due to
69 mortgagees or lienors.

70 (f) The receiver shall have the power to bring a summary process
71 action pursuant to the provisions of chapter 832 against any tenant or
72 occupant of the property.

HSG

JOINT FAVORABLE SUBST. C/R

PD

PD *JOINT FAVORABLE SUBST. C/R*

JUD

JUD *JOINT FAVORABLE*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Affected Agencies: None

Municipal Impact: Uncertain

Explanation**Municipal Impact:**

To the extent that the bill provides for more flexibility for municipalities in resolving circumstances where a landlord's property is declared a nuisance, passage of the bill could result in potential indeterminate savings. The bill gives municipalities more options in taking action against property owners particularly regarding the appointment of receivers to collect rents, evict tenants, or resolve nuisances.

OLR Bill Analysis**sHB 6850*****AN ACT CONCERNING THE POWER OF A MUNICIPALITY TO APPOINT A RECEIVER OF RENTS.*****SUMMARY:**

By law, municipal legislative bodies can appoint a person or committee to act for the municipality in dealing with landlords whose property is declared a nuisance. This bill allows, rather than requires, these appointed authorities to decide whether to seek receivership action against a property owner. It also gives municipalities discretion to decide whether to pay for remedying or removing the nuisance causing the action.

Whenever an authority finds a landlord did not (1) keep his property habitable or (2) comply with a municipal order to remedy or remove a public nuisance, current law requires it to apply to superior court for an order requiring the landlord to prove why a rent receiver should not be appointed. The bill gives the authority the option of whether to seek a court-appointed receiver in such cases. When appointed by the court, a receiver can collect rents, take steps to resolve the nuisance, and evict tenants.

Also under current law, if the income from the property in receivership does not cover the cost of resolving the nuisance or hazard, then the municipality must advance the necessary funds to the receiver to cover such costs, and it must place a lien on the property. Under the bill the municipality can provide funds to resolve the nuisance but is not required to do so.

EFFECTIVE DATE: October 1, 2001

COMMITTEE ACTION

Select Committee on Housing

Joint Favorable Substitute Change of Reference

Yea 12 Nay 0

Planning and Development Committee

Joint Favorable Substitute Change of Reference

Yea 17 Nay 0

Judiciary Committee

Joint Favorable Report

Yea 40 Nay 0